# GOVERNMENT OF INDIA
# ELECTRONICS AND INFORMATION TECHNOLOGY
# LOK SABHA

UNSTARRED QUESTION NO:3878
ANSWERED ON:09.08.2017
Decline in Growth of IT Sector
Pathak Smt. Riti

**Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:**

Will the Minister of Electronics & Information Technology be pleased to state: -
(a) whether there is stagnation in the International Revenue Earnings from the Information Technology sector and if so, the details thereof;
(b) whether the Government proposes to take steps to increase domestic demand to compensate the deficit and if so, the details thereof and action taken by the Government in this regard;
(c) whether the Government proposes to constitute any committee to study the factors affecting the Information Technology sector and if so, the details thereof; and
(d) whether the Government proposes to review the Information Technology Policy to increase the diminishing job opportunities in the sector and if so, the details thereof?

## Answer

(a): The Indian IT-ITeS industry has been progressively contributing to the growth of economy through increasing exports. According to National Association of Software and Services Companies (NASSCOM), the Indian IT-ITES industry export revenue continues to grow at about 8.5% and is estimated to reach US $ 117.0 billion in FY 2016-17 as compared to US $ 108 billion in FY 2015-16. IT-ITeS sector is the largest export sector for the country with over ~49% share of total services exports. The total IT-ITeS Industry revenue (excluding e-Commerce) over the last 3 years is as under:
(US$ in Billion)
2014-15 2015-16 2016-17(E)
Exports 97.8 108 117
Domestic (incl. hardware) 34.0 35 38
Total Revenue 131.8 143 155
(E) = Estimate Source: NASSCOM

(b) and (c): Do not arise.
(d): According to NASSCOM, the IT-ITES industry is estimated to employ nearly 3.9 million people in 2017, an addition of ~175,000 people during the year 2016-17. In addition indirect employment is 1 to 1.2 crore. Around 6 lakh employments have been made in the IT sector in the last three years. It is estimated that the industry will remain net hirer in FY 2017-18. The trend over last 3 years is as follows:

Year Number of Total employees Net addition during the year
FY2014-15 3,485,000 217,000
FY2015-16 3,688,000 203,000
FY2016-17 3,863,000 175,000
Source: NASSCOM

According to NASSCOM, the skills profile is set to undergo a rapid change as demand for skills around digital technologies grows exponentially. Technologies such as advanced robotics and automation are changing job roles significantly across industries. It is believed that technology adoption will only lead to more job creation across sectors in the long run. More jobs will be created 'because of IT' than in 'core IT'. With the emphasis on 'digital', there are going to be greater job opportunities. Government programmes like Digital India, Make in India, Start-up India, Digital Payments, e-Commerce and Cyber Security are going to create robust employment scenario in the IT area in the country.

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